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OFFICE OF THE SECRETARY OF THE TREASURY

WASHINGTON, D.C. 20220

May 5, 1982

DHS Review Completed.

MEMORANDUM TO:

Deputy Executive Secretary, NFIB

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Foster Collins
FROM: J. Foster Collins, Special Assistant
to the Secretary (National Security)

SUBJECT: DCI Briefing of PFIAB

I have two suggestions for the DCI's briefing of PFIAB, both coming under Section (2) of your format.

Firstly, I suggest the DCI brief the PFIAB on the expanded Intelligence Community effort being made in the field of Technology Transfer. Treasury has a high interest in this field and has increased considerably the Customs Service's enforcement and intelligence activity on this target, with some notable success already. Jan Herring's technology staff can provide the best overall briefing.

Secondly, I would suggest the DCI raise with the PFIAB the problem of obtaining resources for collection and production of intelligence of national interest by Departments and Agencies in which this activity is not funded through the National Foreign Intelligence Program. I have outlined the problem from Treasury's point of view. With variations, the situation also exists in the Departments of State, Commerce and Energy and the FBI.

The 1985 Intelligence Capabilities Study identified thirteen specific intelligence challenges for the 1985-1990 time frame. Two were of particular interest to Treasury: Issue 7: Intelligence on Traditional Allies and Issue 8: Economic Intelligence. In the discussion of how to improve collection in both of these areas the report recommended increasing official reporting positions for State, Commerce, Military and Treasury officers and increased overt HUMINT collection to collate and exploit the extensive open-source coverage available in those countries.

This study was approved by the President and provided the basis for increases in the FY 1983 NFIP. Concurrently, however, the Treasury budget for FY 82 was cut by 16% and the FY 83 budget is being similarly squeezed. In the internal budget scrub in Treasury, the International Affairs budget has had to take its share of the cut with the result that some of the overseas reporting positions are candidates for reduction by attrition.

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Classified by J. Foster Collins

☐ Declassify ☒ Review for

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It is proposed that the DCI request the PFIAB to assist with OMB in working out a procedure to provide funds in the NFIP which can be earmarked for specific positions or activities in Treasury and other departments. The procedure must include a method for adding the funds directly to the recipient's budget without identifying them as intelligence funds.

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